Canada - Manitoba
Subsidiary Agreement
On Transportation Development

Canada

MANITOBA

FACT SHEET ON MANITOBA TRANSPORTATION DEVELOPMENT SUB-AGREEMENT

There are seven major programs which make up the federal-provincial subsidiary agreement on transportation development for Manitoba. Following is a brief description of each one, with total costs indicated. A breakdown on cost-sharing for these programs is attached.

PROGRAM A ($400,000) TRANSPORTATION ANALYSIS

An analysis will be done on urban, rural and northern Manitoba transportation systems to identify inadequacies as well as opportunities for the future well-being of these and other transportation facilities. Areas to be covered include air and rail passenger and freight, trucking, water and ferry services, passenger bus and automobile services. An examination of the traffic and financial consequences for provincial highways of railway branch line abandonments will also be conducted.

PROGRAM B ($1.8 MILLION) TRANSPORTATION ADVISORY COMMITTEE

A committee of community and private sector leaders will advise federal and provincial ministers on future activities to enhance Winnipeg's role as a major national transportation and related industry centre. This could involve manufacturing opportunities for bus, rail, truck and other transportation equipment as well as related industrial products. A secretariat will be created to provide committee support in identifying opportunities for foreign investment and future passenger and freight services; transportation studies at the University of Manitoba Transportation Institute; advice on Canada and Manitoba's sub-agreements and other factors which will increase the importance of Winnipeg as a transportation centre.

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PROGRAM C ($15.4 MILLION) UNIVERSITY OF MANITOBA TRANSPORTATION INSTITUTE

The establishment of a major transportation institute at the University of Manitoba will enhance the university's strong transportation research base. The goals of the institute will include promoting and performing basic applied research; developing statistical data banks; providing transportation management education, community outreach education and other academic programs in engineering, economics, planning and analysis and other transportation-related disciplines. It will also provide training both in technical and operational aspects of transportation and include active participation from the private sector.

Canadian National Railways research group will provide staff and pay certain costs once the new research facility at the University of Manitoba is completed. These contributions would continue through the life of the subsidiary agreement.

PROGRAM D ($101.7 MILLION) MANITOBA AIRPORTS PROGRAM

This is a large-scale construction program to expand, replace or restore air transportation facilities at Winnipeg International Airport and other airports in the province. Airport projects such as an area control centre, runways, apron have been identified at Winnipeg International, Brandon and Thompson. In addition, the program also proposes construction and installation of air navigational aids in several northern communities.

PROGRAM E ($16 MILLION) PROVINCIAL ROADS

The province intends to improve both capacity and safety on its highways by undertaking a number of highway infrastructure projects. Interprovincial trade will also benefit as a result of this new work.

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PROGRAM F ($1.5 MILLION) RAIL PASSENGER SERVICES

There are two elements to this program. The first provides for a $1 million rehabilitation to the existing CN VIA Rail station, including rotunda painting and repairs, a new public address system, integration of ticket and baggage facilities, landscaping and other projects.

The second element is the design, testing and manufacture of a prototype Canadian rail-bus vehicle, to improve rail passenger services in remote areas while, at the same time, reducing the costs of remote service, using conventional equipment. The project, if successful, would have strong export potential. The rail-bus would be, in effect, an intercity bus adapted to operate on railway lines. It will be developed in Winnipeg, and tested in northern Manitoba during 1984-85. A management committee for this project will include representatives from Transport Canada, CN, VIA Rail, as well as northern Manitoba residents.

PROGRAM G ($780,000) ADMINISTRATION AND COMMUNICATIONS

This program represents the managerial and public information aspects of the entire subsidiary agreement. It involves a communications plan for each of the programs and would include public consultation, seminars, presentations, published reports and documents and other endeavors to acquaint the public with the federal-provincial initiatives and to provide opportunities for public comment and input.

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COST BREAKDOWN--CANADA-MANITOBA SUBSIDIARY AGREEMENT ON TRANSPORTATION DEVELOPMENT FROM 1984-89

PROGRAM	FEDERAL SHARE	CN	PROVINCIAL SHARE	FIVE-YEAR TOTALS
PROGRAM A				
Transportation Analysis	$200,000	-	$200,000	$400,000
PROGRAM B				
Advisory Committee	$900,000	-	$900,000	$1,800,000
PROGRAM C				
Transportation Institute at U of M.	$5,800,000		$5,800,000	$11,600,000
CN R & D		$1,250,000		$1,250,000
Program Development			$1,200,000	$1,200,000
Operating Costs			$1,400,000	$1,400,000
PROGRAM D				
Air Infrastructure	$101,680,000	-	-	$101,680,000
PROGRAM E				
Improved Highway System	-	-	$16,000,000	$16,000,000
PROGRAM F				
Rail Passenger Services	$1,500,000	-	* $50,000	$1,550,000
PROGRAM G				
Program Administration	$140,000	-	$250,000	$390,000
Communications	$140,000	-	$250,000	$390,000

* The province is willing to provide an additional $150,000 in future contributions.

CANADA - MANITOBA

SUBSIDIARY AGREEMENT ON TRANSPORTATION DEVELOPMENT

THIS AGREEMENT made this day of 1984

BETWEEN THE GOVERNMENT OF CANADA (herein referred to as "Canada") represented herein by the Minister of Transport

AND THE GOVERNMENT OF THE PROVINCE OF MANITOBA (herein referred to as "Manitoba") represented herein by the Minister of Highways and Transportation.

WHEREAS Canada and Manitoba have entered into an Economic and Regional Development Agreement on January 4, 1984.

AND WHEREAS this prior agreement provides, in part, for the entering into of subsidiary agreements for:

(a) coordination of existing federal and provincial policies, programs or activities which support the measures to be implemented, including measures for human resource development;

(b) support, including financial assistance not available under other existing government programs;

(c) outlines of the activities and responsibilities of each government with respect to the measure;

(d) the division of cost between each government and the maximum amount thereof to be incurred; and

(e) where the costs of any measure are to be shared between Canada and the Province, a Subsidiary Agreement shall specify the cost-sharing arrangements and the procedure for submission and reimbursement of claims between the parties, and may provide for advance payments and reimbursement by way of progress claims.

AND WHEREAS Canada and Manitoba agreed on the following transport and related industrial development objectives to guide the development of the subsidiary agreements:

(a) more effective achievement of federal and provincial economic and industrial development objectives;

(b) increased transportation efficiency and effectiveness;

(c) maintain existing or enhanced levels of transportation system safety;

(d) maintain existing or enhanced levels of transportation services;

(e) advancement of industrial technological capability in the transportation field.

AND WHEREAS Canada and Manitoba have agreed on transport and industrial development priorities including the following:

(a) investment in facilities and services which will promote trade and industry with a view to encouraging economic activity in Manitoba;

(b) support of transportation research and development generally but especially with respect to bus and other transportation equipment;

(c) improved transport services for rural and urban areas.

AND WHEREAS Canada and Manitoba have entered into a Memorandum of Understanding respecting Manitoba Transportation and Urban Bus Industrial Development on December 8, 1983 in which they agree to cooperate in preparing three subsidiary agreements, the first relating to Churchill and its longer term prospects, the second revolving around broader provincial transportation development matters and the third relating to urban bus industrial development.

AND WHEREAS the Governor-in-Council by Order-in-Council No. of the day of , has authorized the Minister of Transport to enter into this agreement on behalf of Canada.

AND WHEREAS the Lieutenant Governor-in-Council by Order-in- Council No. of the day of , has authorized the Minister of Highways and Transportation to enter into this agreement on behalf of Manitoba.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, covenants and agreements herein contained, the parties covenant and agree as follows:

DEFINITIONS

1. In this Agreement, unless the context requires otherwise,

(a) "ERDA" means the Canada-Manitoba Economic and Regional Development Agreement made on January 4, 1984;

(b) "eligible costs" means costs referred to in subsection 7.2;

(c) "Federal Minister" means the Minister of Transport and includes anyone authorized to act on his behalf;

(d) "Provincial Minister" means the Minister of Highways and Transportation and includes anyone authorized to act on his behalf;

(e) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;

(f) "implementing jurisdiction" means a Party hereto which has the responsibility of delivering a project hereunder;

(g) "Ministerial Policy Committee" means that body established pursuant to subsection 5.1 of this Agreement;

(h) "Management Committee" means that body established pursuant to subsection 5.6 of this Agreement;

(i) "program" means a principal component of the Agreement as outlined in Schedules A and B to this Agreement;

(j) "project" means a subdivision of a program;

(k) "Province" means the Province of Manitoba; and

(l) "cost-shared project" means a project arising from any program which is outlined in Schedules A and B and which is jointly funded by the parties hereto.

PURPOSE

2.1 The purpose of this Agreement is to set out measures to be undertaken by Canada and Manitoba in support of transportation development in Manitoba.

OBJECTIVE

3.1 The objective of this Agreement is to enhance transportation development in Manitoba.

IMPLEMENTATION OF MEASURES

4.1 To achieve the objective outlined in section 3, Canada shall undertake and pursue, in accordance with its laws and policies, the programs outlined in Schedules A and B for which it is responsible in accordance with the terms and conditions of this Agreement.

4.2 To achieve the objective outlined in section 3, Manitoba shall undertake and pursue in accordance with its laws and policies, the programs outlined in Schedules A and B for which it is responsible in accordance with the terms and conditions of this Agreement.

MANAGEMENT AND COORDINATION

5.1 As of the date of the execution of this Agreement, a Ministerial Policy Committee consisting of the Federal Minister personally or another Minister of the Crown authorized by the Federal Minister personally to act on his behalf and the Provincial Minister personally or another Minister of the Crown authorized by the Provincial Minister personally to act on his behalf is hereby constituted.

5.2 The Ministerial Policy Committee shall ensure that the intent and terms and conditions of this Agreement are carried out and shall be responsible for the overall management and administration of this Agreement by considering an annual work plan submitted by the Management Committee and making such modifications thereto as it considers appropriate.

5.3 The Ministerial Policy Committee may at any time issue specific or general policy guidelines or directions to the Management Committee.

5.4 All decisions of the Ministerial Policy Committee shall be in writing and shall be effective only if they are unanimous.

5.5 The Ministerial Policy Committee may establish such advisory bodies as it deems necessary for the efficient implementation of this Agreement and all appointments thereto shall be at the Ministerial Policy Committee's pleasure.

5.6 As of the date of the execution of this Agreement, the Management Committee is hereby established;

5.7 The Management Committee shall consist of four members as follows:

(a) one voting member to be appointed by the Federal Minister personally;

(b) one voting member to be appointed by the Provincial Minister personally;

(c) one non-voting member to be appointed by the Minister of State for Economic and Regional Development;

(d) one non-voting member to be appointed by the Minister of Industry, Trade and Technology;

5.8 A voting member of the Management Committee may, in writing, authorize another officer to attend and to vote at the meetings of the Management Committee on behalf of that member;

5.9 Subject to any specific or general policy guidelines or directions of the Ministerial Policy Committee, the Management Committee shall be responsible for:

(a) the general administration of the programs outlined in Schedules A and B including the design and implementation of all procedures to facilitate this administration; the preparation of appropriate documentation to accommodate the budgetary cycle of each of the parties hereto; and the development of an annual work plan and annual estimates as required for the purpose of the Ministerial Policy Committee;

(b) the approval of projects which are cost-shared hereunder and the review of project descriptions for any project hereunder, other than a cost-shared project. Appropriate project documentation forms shall be prescribed by the Management Committee before approval is given or review is undertaken;

(c) to prepare and submit annually, during the currency of this Agreement, a report on the progress achieved under this Agreement prior to the annual meeting of the Ministers referred to in subsection 5.1 of the ERDA;

(d) where it identifies significant human resources implications in respect of any project hereunder, to consider a human resources plan for that project which will include affirmative action and recruitment of labour through Canada Employment and Immigration Commission (CEIC) as appropriate.

(e) to recommend to the Federal Minister and to the Provincial Minister any actions which would involve:

1. the transfer of the responsibility to implement a program outlined in Schedules A and B or any part thereof from one of the parties hereto to the other;

2. the transfer of funds from one program outlined in Schedules A and B to another for cash flow management purposes;

(f) subject to section 7 of the ERDA, to ensure the preparation, and to approve the transmittal to the Ministerial Policy Committee, of an annual communications strategy and program to serve the information requirements of the public and to encourage public awareness of the activities of both governments under this Agreement;

(g) to ensure that all contracts and arrangements entered into by an implementing jurisdiction with third parties shall contain the relevant provisions of this Agreement;

5.10 The quorum for all meetings of the Management Committee shall be two voting members or their representatives duly authorized pursuant to subsection 5.8.

5.11 The decisions of the Management Committee at any meeting shall be acted upon only if taken unanimously by its voting members.

5.12 Any matter with respect to which the Management Committee is not unanimous shall be referred to the Ministerial Policy Committee;

5.13 The Ministerial Policy Committee and the Management Committee shall continue to exist and to operate for a period of twenty-four months after the termination of this Agreement.

ADMINISTRATION

6.1 The party hereto that is responsible for implementing any program outlined in Schedules A and B and shall be responsible for implementing any project arising therefrom;

6.2 Before a project arising from a program outlined in Schedules A and B shall be deemed, for the purposes of this Agreement, to be a project hereunder, such project must be approved

(a) in the case of a cost-shared project, by the Management Committee; or

(b) in the case of a project other than a cost-shared project, by the Federal Minister, if Canada is the implementing jurisdiction for such project, or by the Provincial Minister, if Manitoba is the implementing jurisdiction for such project.

6.3 No project hereunder may be approved after the termination of this Agreement.

6.4 The implementing jurisdiction for any project hereunder shall be responsible for taking such steps as may be necessary to carry out the project in question. In particular, the implementing jurisdiction may enter into one or more contracts for this purpose, or may utilize its own resources. Nothing herein prevents the implementing jurisdiction for any project hereunder from arranging with the other party hereto for the delivery of all or part of a project hereunder which it has the responsibility to implement.

6.5 Any contract entered into by the implementing jurisdiction with a third party for any project hereunder shall be awarded and administered in accordance with the administrative and management procedures of such implementing jurisdiction.

6.6 Reports, documents, plans, maps and other materials prepared by a third party who has been awarded a contract by the implementing jurisdiction for any project hereunder in connection with such a project shall become the property of the said implementing jurisdiction and with respect to cost-shared projects, hereunder, the said implementing jurisdiction shall share with the other party hereto the aforementioned reports, documents, plans, maps and other materials which it acquires as a result of carrying out its responsibilities under this Agreement.

6.7 Subject to subsection 6.6, all property, including patents, copyrights and other intellectual property and any revenue acquired as a result of the work performed under cost shared projects hereunder shall be disposed of, licensed or otherwise dealt with as the Ministerial Policy Committee may from time to time determine.

6.8 The implementing jurisdiction for any project hereunder shall use Canadian goods and services in carrying out any such project hereunder to the full extent to which they are procurable, consistent with proper economy and the expeditious carrying out of such projects.

6.9 Any contract entered into by the implementing jurisdiction for any project hereunder with a third party shall provide:

(a) that any of the members of the Management Committee or a duly authorized representative shall be permitted to inspect the subject matter of the aforementioned contract at all reasonable times;

(b) that the third party will respect all applicable labour laws and standards; and

(c) that the third party undertakes either to indemnify or to provide a suitable insurance policy for the benefit of both parties hereto.

6.10 The implementing jurisdiction for any project hereunder shall indemnify and save harmless the other party hereto, its officers, servants and agents against all claims and demands of any third party arising out of the implementation of such project except to the extent that claims and demands relate to the act or negligence of any officer, employee or agent of the other party hereto.

6.11 Any contract entered into by the implementing jurisdiction for any project hereunder with a third party shall also contain provisions implementing the intent of subsections 6.6 and 6.8.

6.12 Where any project hereunder is not completed on the termination of this Agreement the provisions of this Agreement shall, notwithstanding termination, continue in force and effect and shall apply to each project until completion of that project or until the expiration of a period of twelve months as of the said termination, whichever comes first.

6.13 Upon the completion of any project hereunder, the implementing jurisdiction or the third party assigned the on-going responsibility for such project shall take over full responsibility of that project's operation, maintenance and repair, except in cases where other arrangements between parties hereto specifically apply. Where the ongoing responsibility for the operation, maintenance and repair of any project hereunder is to be vested in a third party, the contractual arrangements made between the implementing jurisdiction and the said third party shall provide a clause in order to save Canada and Manitoba harmless from any claims, demands, actions, and causes of action which may be made against them arising out of the operation, maintenance and repair of any such project.

PAYMENT PROCEDURES

7.1 The implementing jurisdiction for a cost-shared project hereunder shall be responsible in the first instance to pay all costs of implementing the said cost-shared project and shall apply its payment procedures thereto.

7.2 "Eligible Costs" means costs incurred by the implementing jurisdiction for a project hereunder in connection with such project that are:

(a) invoiced by a third party to the implementing jurisdiction under a contract entered into by the implementing jurisdiction with the said third party; or

(b) defined and determined by the Management Committee;

but shall not include costs which are

(c) any salary or benefits paid by either party to any of its permanent employees of a government department;

7.3 The implementing jurisdiction for a cost-shared project hereunder shall be entitled to recover from the other party hereto that other party's share of the eligible costs of the said cost-shared project which it has incurred and expended.

7.4 Unless otherwise indicated in Schedule A, the parties hereto shall fund any cost-shared project hereunder as approved by the Management Committee.

7.5 All claims, interim payments and adjustments by the parties hereto in respect of a cost-shared project hereunder will be submitted to the Management Committee for purposes of information.

7.6 In order to assist the implementing jurisdiction with the interim financing of the other party's share of the eligible costs of a cost-shared project hereunder which it is expected to incur and expend, the other party hereto may make, if the implementing jurisdiction so requests, quarterly interim payments based on a forecast of the said other party's share of the eligible costs that will be actually incurred and paid, such forecast to be prepared by the implementing jurisdiction and certified by a senior officer of the implementing jurisdiction. Where both parties request quarterly interim payments for different cost-shared projects in the same quarter, the amounts thereof shall be offset by the Management Committee.

7.7 Claims setting out the costs actually incurred and paid by the implementing jurisdiction in respect of a shared cost project hereunder shall be prepared by the implementing jurisdiction, certified by a senior financial officer of that jurisdiction and submitted within the first two months of the end of each quarter during the currency of this Agreement.

7.8 Notwithstanding anything in subsection 7.6, the implementing jurisdiction for a cost-shared project hereunder shall not be entitled to any quarterly interim payment in a subsequent fiscal year until all the quarterly interim payments received by such implementing jurisdiction in a previous fiscal year have been repaid or accounted for.

7.9 Notwithstanding subsection 7.3, the implementing jurisdiction for a cost-shared project hereunder shall not be entitled to recover from the other party hereto that other party's share of the eligible costs of the said cost-shared project in respect of the eligible costs which it has incurred and expended after the expiration of a period of twelve months as of the termination of this Agreement and the other party hereto will not be responsible to pay any claim which is received more than twenty-four months after the termination of this Agreement.

FINANCIAL PROVISIONS

8.1 Notwithstanding anything in this Agreement, the expenditures to be made by Canada and by Canadian National Railway Company in connection with projects hereunder, whether cost-shared projects or projects other than cost-shared projects, shall not exceed $110.36 million and $1.25 million respectively for a total of $111.61 million.

8.2 Notwithstanding anything in this Agreement, Manitoba's expenditures in connection with projects hereunder, whether cost-shared projects or projects other than cost-shared projects, shall not exceed $26.05 million.

8.3 The monetary obligations of Canada hereunder are subject to the express condition that there be an appropriation by the Parliament of Canada of the monies necessary therefor for the fiscal year in which any such obligation would come in course of payment.

8.4 The monetary obligations of Manitoba hereunder are subject to the express condition that there be an appropriation by the Legislative Assembly of Manitoba of the monies necessary therefor for the fiscal year in which any such obligation would come in course of payment.

AUDIT PROCEDURES

9.1 Each of the parties hereto shall ensure that proper and accurate accounts and records are maintained with respect to each project hereunder which it is implementing. Each of the parties hereto may audit the amounts of all claims of the other in respect of any cost-shared project hereunder which the other has implemented and the accounts and records related thereto, and any discrepancy between the amounts paid by any of the parties hereto and the amount payable under this Agreement shall be promptly adjusted between the parties.

9.2 Each of the parties hereto will provide to any member of the Management Committee on request all information that would indicate that a project hereunder has been undertaken or completed and the costs incurred with respect thereto.

COMMUNICATIONS

10.1 The parties hereto will cooperate in public information activities relating to this Agreement.

10.2 For cost-shared projects hereunder, announcements, release of reports etc. will be arranged by the Ministerial Policy Committee. Subject to subsections 5.9(f) and 10.3, for projects other than cost-shared projects, announcements, release of reports etc... will be arranged by the Federal Minister for such projects implemented by Canada or by the Provincial Minister for such projects implemented by Manitoba.

10.3 In all public information activities, the parties hereto will be guided by the principle that all interested persons should be kept informed, that the contributions of both should be fairly acknowledged, and that both parties hereto should have a fair opportunity to participate.

EVALUATION

11.1 The Management Committee shall develop a plan for evaluating the programs outlined in Schedules A and B hereto as well as the projects arising thereunder.

11.2 This Agreement shall be completely reviewed jointly during the fiscal year commencing April 1, 1987 to consider all aspects of the implementation of this Agreement including the effectiveness of projects hereunder, for the purpose of considering the realignment of priorities as necessary and each party hereto agrees to give notice to the other party hereto of its intention to renew or not to renew this Agreement after March 31, 1989, and to indicate the length and conditions of this renewal, if any, and the proposed level of additional funding, if any, prior to September 30, 1988.

11.3 The Management Committee will submit to the Ministerial Policy Committee a final and comprehensive evaluation report between six and twelve months after the termination of this Agreement.

AMENDMENT

12.1 This Agreement may be amended from time to time by the writen agreement of the Federal Minister personally and the Provincial Minister personally, but no amendments to subsections 6.3, 6.8, 7.8, 8.1, 8.2 and no amendments which would alter the nature of the programs described in Schedules "A" and "B" shall be made without the approval of the Governor-in-Council and the Lieutenant Governor-in-Council.

GENERAL

13.1 This Agreement shall commence on and take effect from April 1, 1984 and, subject to subsection 13.2, shall terminate on March 31, 1989.

13.2 Notwithstanding subsection 13.1, this Agreement may be terminated at the end of any fiscal year, following the expiration of at least three years from the date of execution hereof, by either party giving to the other at least two clear fiscal years' notice in writing thereof.

13.3 The laws in effect in Manitoba shall apply to this Agreement.

13.4 Any contribution paid by Canada shall be exempt from the application of Section 5 of the Fair Wages and Hours Labour Act R.S.C. 1970, cL3.

13.5 No member of the House of Commons of Canada or the Legislative Assembly of Manitoba shall be admitted to any share or part of any contract, agreement, or commission made pursuant to this Agreement or to any benefit arising therefrom.

13.6 Nothing in this Agreement is to be construed as authorizing any one of the parties hereto to contract for or to incur any obligation on behalf of the other or to act as agent for the other, unless approved by the Management Committee.

13.7 The terms and conditions of the ERDA shall apply to this Agreement.

13.8 This document and Schedules A and B form the entire Agreement of the parties hereto.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of Transport and on behalf of Manitoba by the Minister of Highways and Transportation this day of , 1984.

THE GOVERNMENT OF CANADA:

Minister of Transport

THE GOVERNMENT OF THE PROVINCE OF MANITOBA:

Minister of Highways and Transportation

CANADA - MANITOBA
SUBSIDIARY AGREEMENT ON TRANSPORTATION DEVELOPMENT

SCHEDULE "A"

BACKGROUND

Manitoba's economy has a strong transportation orientation both due to its central location between the industrial economy in central Canada and the resource-rich provinces to the west and its early dependence on the transportation intensive agriculture sector. The industry has a diversified presence, including Crown Corporations (Air Canada, CN, NTCL, Ports Canada (Churchill), VIA), private common carriers and direct government operations. Aside from the direct provision of jobs within the industry itself, transportation service levels affect the competitiveness of most goods, and many services. Finally, the quality of life in more remote parts of the province is directly affected by the availability of transportation services, with its impact on consumer prices and access to medical and other services.

TRANSPORTATION

The transportation sector in Manitoba is proportionately the largest in Canada (about 15% of real output). The industry is a major source of earned income and employment in the province. It has played a large role in the economic history of the province. Winnipeg became a major urban centre largely as a result of its transportation function.

Major components of the transportation industry in Manitoba include:

a. Rail

Manitoba has a total of 6,430 kilometers of main track. This has been steadily declining over the years as rail rationalization took place. The Manitoba CN infrastructure consists of the Symington Yard, one of the most modern of its kind in the world; the Transcona Shops, CN's western Canada base for all major repairs to locomotives and rolling stock; the materials distribution centre; national training centre for locomotive engineers; dispatchers, transportaton supervisors and master mechanics at Gimli; the multimodal terminal, and the Union Centre VIA Rail passenger station. Burlington Northern of St. Paul, Minnesota operates freight service between Winnipeg and the U.S. border, using CN track.

Winnipeg is the headquarters for CP Rail's prairie region and is the site for massive marshalling yards, an intermodal terminal and the western equipment repair facilities. Also, at Brandon, there are marshalling yards and railway offices responsible for western Manitoba and some of eastern Saskatchewan.

Manitoba in 1981, shipped 1.7 million tonnes within the province, 7.4 million tonnes out of the province and received 5.5 million tonnes in the province from outside. The major destinations for shipments from Manitoba were: Ontario, Saskatchewan, Alberta and the U.S.A., while the major shipments to Manitoba were from Ontario, Saskatchewan and Alberta.

b. Motor Carriers

As of January 1, 1981, there were 6,499 kilometers of provincial truck highways in Manitoba and 12,333 kilometers of provincial roads. Winnipeg is a central distribution point in the west, having a large number of trucking firms with high operating revenues.

c. Urban Transit

The metro Winnipeg Transit System in 1982, carried 59.3 million passengers. In 1982, there were 1,300 employees. The Metro Transit System is subsidized by 50 percent of its operating expenses. Transit has been expanding its service to accommodate urban expansion.

d. Air

The major carriers servicing Winnipeg are: Air Canada, Canadian Pacific, P.W.A., Nordair, Perimeter, Wardair, and Northwest Orient. As of 1982, there were 102 licenced commercial carriers in Manitoba, operating from more than 50 bases in the province and offering a variety of services. Both passenger and cargo services are offered.

Winnipeg International Airport is the largest airport in the province. The number of passengers carried has remained relatively steady in the last few years, with total passengers deplaned and enplaned in 1981 equalling about 2.4 million, while cargo movement increased by 33 percent to 27.6 million kilograms between 1977 and 1981.

e. Multimodal

The CN and CP rail terminal facilities in Winnipeg are complemented by the motor carrier industry and vice versa. In the piggyback field there are daily connections between Winnipeg and trailer-on-flatcar terminals across Canada for the movement of motor common carrier and private industry highway trailers. The railways also operate intermodal services to industry with their own container fleet. Winnipeg is strongly represented by trucking terminals.

DEVELOPMENT OPPORTUNITY

The University of Manitoba provides a sound base for the establishment of transportation research and development activities. Winnipeg's long history as a transportation centre also offers the basis for

development of a long term transportation plan for the future. Both Manitoba and Canada have available the analytical and statistical resources required for in-depth analysis of the provincial transportation system and of a variety of concerns related thereto. The rapid growth of the highway mode affords the opportunity of making improvements to the highway infrastructure. Similarly developments in trade and travel patterns offer opportunities for development of the infrastructure of the air mode. Finally, Manitoba interest in and need for provision of access to remote communities affords the opportunity for development of a Rail Bus prototype.

DEVELOPMENT STRATEGY

The objectives of the transportation development sub-agreement will be achieved through:

i) providing for the joint planning and analysis taking into account factors and trends influencing the transportation system and that will allow each level of government to act within its area of jurisdiction while having regard to a joint development framework;

ii) improving or adjusting the air and highway transportation infrastructures to meet development needs;

iii) enhancing the technological research and development, and management science capabilities in Manitoba related to transportation.

The strategy will be implemented through a coordinated federal-provincial management structure that will draw advice from the transportation industry, municipal authorities and the affected general public. The management system will also ensure that implementation of projects under this Agreement will be coordinated and consistent with other closely linked initiatives, such as the IRDP Program, the Western Transportation Initiatives, the Winnipeg Core Area Agreement and the Northern Development Agreement.

The city of Winnipeg is a major focal point for the programming and planning that this Agreement enables. Infrastructure improvements will be made at the Winnipeg International Airport. Additionally, transportation-related measures will be undertaken to augment the research and development capacity at the University of Manitoba.

In rural Manitoba, planning and analysis activities will be undertaken to manage the process of change led by the evolution of the transportation system, and to improve the province's major interconnecting highways, where necessary.

PROGRAMS

The work to be undertaken in this agreement falls into seven programs. The federal and provincial programs will be jointly planned and co-ordinated by the Management Committee.

A Manitoba Transportation System Analysis

B Transportation Industry Development Advisory Committee

C Transportation Institute at the University of Manitoba

D Air Infrastructure Improvements

E Highway Infrastructure Improvements

F Rail Passenger Services

G Program Administration and Communications

DESCRIPTION OF PROGRAMS

PROGRAM A - TRANSPORTATION ANALYSIS

This program will assess the dynamics and functioning of the Manitoba transportation system in order to identify inadequacies which may impinge upon transportation efficiency and determine transportation related opportunities in support of future economic development needs.

The assessment will consider the needs of Manitoba's three sub-regional economies of Winnipeg, rural and northern Manitoba through a) the review of the modal pattern of Manitoba's existing transportation system; b) forecasting future transportation demand in areas of air passenger and freight, rail passenger and freight, trucking, water and ferry services, passenger bus and automobile services, bearing in mind anticipated economic development initiatives in the province, c) the identification of current limitations or potential future deficiencies in the transportation system, and d) an examination of the traffic and financial consequences for provincial highways of railway branchline abandonment.

Should additional funding become available, other studies could be undertaken.

Canada will fund and implement those projects identified and agreed upon by the Management Committee. Manitoba will fund and implement those projects identified and agreed upon by the Management Committee.

PROGRAM B - TRANSPORTATION INDUSTRY DEVELOPMENT ADVISORY COMMITTEE

This program will be implemented by Canada and will be jointly funded by Canada and Manitoba.

A high level committee will be established to examine and define an action program for both private and public sectors bearing on the future of Winnipeg as a major national transportation and related industry centre and to examine other issues affecting the long term development of the transportation system. The primary role will be to identify transportation and other industrial trends and to undertake activities which support Winnipeg's role as a major transportation and distribution centre.

Areas of concern could include manufacture of bus, rail, truck, military and other transportation equipment and related industrial products; identification of opportunities for attracting foreign investment in transportation oriented industries; identification of a role for Winnipeg in the long range plans for Canada's major national transportation institutions; anticipation of changes in the nature of the future demand for passenger and freight services; assignment of strategic transportation studies to the Transportation Institute at the University of Manitoba; provision of advice to Federal and Provincial Ministries on the Canada/Manitoba transportation sub-agreements, on short and long term policy and legislation designed to facilitate the capturing of opportunities for the enhancement of Winnipeg as a transportation distribution centre and on transportation in Canada in general.

The Committee will consist of senior individuals appointed by the Ministers. A contracted secretariat will be engaged to provide support.

PROGRAM C - TRANSPORTATION INSTITUTE AT THE UNIVERSITY OF MANITOBA

This program will be implemented by Manitoba and will be jointly funded by Canada and Manitoba.

A major Transportation Institute will be established at the University of Manitoba, building on the capabilities which already exist at the University in transportation related areas. The Institute will have a strong orientation to the needs of the transportation industry and will, inter alia, have the following goals:

1. To promote and perform basic and applied research in areas related to transportation;
2. To develop and maintain appropriate statistical and other data bases on transportation in Canada and on relevant areas of international transportation;

3. To provide education in transportation management and other academic programs in engineering, economics, planning and analysis and other disciplines related to transportation;
4. To provide training for individuals in technological transfer and operational aspects of transportation.

Canada will contribute $5.8 million towards the cost of the building. Manitoba will contribute $5.8 million towards the cost of the building, and provide for ongoing operating costs of $400,000 per year upon completion of the building. Manitoba will also provide $1.2 million for program development over five years for the purpose of establishing the staff and program capabilities necessary to achieve the objectives of the Institute. Disposition of these funds shall be decided by the Management Committee and the Director in consultation with the Advisory Board of the Institute.

PROGRAM D - AIR INFRASTRUCTURE

This program will be implemented and entirely funded by Canada.

In order to attend to the development and operation of a safe and efficient civil air transportation system for Manitoba, Canada is proposing the undertaking of a major construction program to expand and replace/restore air transportation facilities at Winnipeg International and other airports in the Province.

The proposed program has identified airport facility expansion (e.g., runways, aprons, area control centre, etc.) at Winnipeg International Airport and other Manitoba sites such as the Pas and Brandon. In addition, the program also proposes the construction and installation of air navigational aids at such possible sites as Norway House, and Island Lake. Specific activities to be undertaken as part of this proposed program as well as the location will be established through the normal programming process. Canada will fund and implement the program which will be undertaken between 1984-85 and 1988-89. This program will be closely co-ordinated with the Northern Development Agreements.

PROGRAM E - HIGHWAY INFRASTRUCTURE IMPROVEMENTS

This program will be implemented and entirely funded by Manitoba.

In order to facilitate interprovincial trade utilizing highway modes, Manitoba will undertake a number of highway infrastructure projects designed to improve capacity and safety.

PROGRAM F - RAIL PASSENGER SERVICES

This program will be implemented by Canada and funded by Canada and Manitoba and will be closely co-ordinated with the Winnipeg Core Area Agreement.

In order to attend to the development and operation of rail passenger services, two complementary programs will be undertaken. The first

will provide for the development and testing of a prototype Canadian Rail Bus vehicle, suitable for use on light density remote rail passenger routes, with the objectives of improving the accessibility of remote communities to regional service centres and reducing operating and capital costs of rail passenger service. A further objective is the development of a rail product for export purposes. The Rail Bus is an intercity bus adapted to operate on railway infrastructure. Development, manufacture and testing will take place in Winnipeg with test service taking place in Northern Manitoba during 1984-85. The Demonstration Project will be managed by a Management Committee consisting of Transport Canada and Manitoba Highways and Transportation Officials. An advisory committee, consisting of representatives of Northern Manitoba residents, the provinces of Ontario, Saskatchewan and Alberta, CN and VIA Rail will be established. The one-year project could be extended subject to negotiations among the interested parties. The province has indicated that it would be willing to provide an additional $150,000 in financial contributions in future years.

The second program will provide for the possible role of the Winnipeg Railway Station as a multi-modal centre associated with the urban bus demonstration project and will include general improvements to the station, painting and repair of the rotunda and concourse, integration of the ticket and baggage handling facilities, introduction of a new public address system and train information board, repair of baggage and OBS elevators to the track level and repair and landscaping of the parking lot.

PROGRAM G - PROGRAM ADMINISTRATION AND COMMUNICATIONS

Communications Program. The objective of the communications program is to develop and implement a communications plan to service each project undertaken as part of this Agreement, in accordance with the directives of the Ministerial Policy Committee. The communications program will support appropriate public consultations, seminars, presentations, information transfer through such means as report publication and distribution, and other public relations and public informaton activities deemed necessary to achieve the objectives of the Agreement.

Canada will fund and implement communications activities related to those projects which are 100% funded by Canada. Manitoba will fund and implement communications activities related to those projects which are 100% funded by Manitoba. For projects which are cost-shared, communications activities will be implemented by either Canada or Manitoba, whichever is deemed appropriate by the Management Committee, with the implementing jurisdiction recovering from the other party its share.

Administration and Evaluation. The projects will be evaluated in terms of their objectives. The Management Committee will establish a data base for

the projects, possibly through an evaluation sub-committee, as a basis for reporting periodically to Ministers and for the evaluation. Canada will fund and implement evaluations for those projects which are 100% funded by Canada. Manitoba will fund and implement evaluations which are 100% funded by Manitoba. For evaluation of projects which are cost-shared, evaluation will be undertaken by either Canada or Manitoba. Whichever is deemed appropriate by the Management Committee with the implementor recovering from the other party its share.

The Management Committee will be responsible for the administration of the Agreement, which will entail the development and maintenance of a suitable record and information system, including the evaluation data base, the management of the contract work load and the necessary financial management. Program administration activities will be undertaken separately by Canada and Manitoba.

CANADA - MANITOBA
SUBSIDIARY AGREEMENT ON TRANSPORTATION DEVELOPMENT

SCHEDULE "B"

SUMMARY OF ESTIMATED COSTS 1984-89

($000,000's) CURRENT

PROGRAM	FEDERAL SHARE FEDERAL	FEDERAL SHARE CN	PROVINCIAL SHARE PROVINCIAL	TOTAL 5 YEARS
PROGRAM A				
Transportation Analysis	.2	-	.2	.4
PROGRAM B				
Advisory Committee	.9	-	.9	1.8
PROGRAM C				
Transportation Institute at the University of Manitoba	5.8		5.8	11.6
CN R & D		1.25		1.25
Program Development			1.2	1.2
Operating Costs			1.4	1.4
PROGRAM D				
Air Infrastructure	101.68	-	-	101.68
PROGRAM E				
Improved Highway System	-	-	16.0	16.0
PROGRAM F				
Rail Passenger Services	1.50		0.05*	1.55
PROGRAM G				
Program Administration (Evaluation, Audit Activities)	0.14	-	0.25	0.39
Communications	0.14		0.25	0.39

* The province has indicated its willingness to provide an additional $150,000 in future contributions.